(Spl.-H.C.A.S.C.D., 78-e)

FARAD CONTINUATION SHEET NO.

IN THE HIGH COURT OF BOMBAY AT GOA
PANAJI, GOA.
APPELLATE SIDE

DISTRICT :

WRIT PETITION NO. 438 OF 2004.

Office Notes, Office Memoranda of Quorum, appearances,Court's orders of directions and Registrar's orders	Court's or Judge's orders

Shri Zeller De Souza, Advocate for the Petitioners.

Shri M. S. Sonak, Advocate for the Respondent.

CORAM : B. H. MARLAPALLE &
N. A. BRITTO, J J.

DATE : 5th October, 2004.

P.C.:

1. Heard Mr. De Souza, Learned Advocate for the Petitioners and Mr. Sonak, Learned Advocate for the State Finance Corporation which has also filed affidavit in

reply.

2. Petitioner No. 1, the partnership firm represented by petitioners no. 2 and 3 was granted a Term Loan of a sum of Rs. 4,10,000/- (Rupees Four Lakhs Ten Thousand only) on 15.2.1995 and 2nd Term Loan of Rs. 14,00,000/- (Rupees Fourteen Lakhs only) on 26.9.1996 against the hypothecation of 3 motor passenger boats by names Divya, Patricia Ann and Rochelle Ann. The loan could not be serviced and therefore the Petitioner received the first show cause notice on 30.10.1998 and ultimately by invoking the powers under Section 29 of the State Financial Corporations Act, 1951, the respondent Corporation seized these vessels. On 16.09.2004, a proclamation was published by the respondent Corporation for auction of 22 properties i.e. scheduled on 6.10.04 at 3.30 p.m. At Sr. No. 22 is the property and the proposed auction gave rise

to this Writ Petition under Article 226 of the Constitution.

3. The Petitioner submits that a Commissioner should be appointed to determine the market value of the seized units and the bids which are less than the market value should not be accepted.

4. The affidavit in reply filed by the respondent Corporation states that the auction bids / tenders have been given wide publicity not only in the local newspapers, but also in the National Daily like Economic Times and the valuation of the assets by an expert has already been done sometimes in April 2004 itself. It has been further stated that there is a valuation committee comprising of Managing Director of The State Finance Corporation, President of Chamber of Commerce, Consulting Engineer and Deputy General Manager (Engineering) of respondent Corporation.

This committee, after it completes its process of evaluation, places its report before the Bids Acceptance Committee which, in turn, comprises of Chairman as well as Managing Director of the respondent Corporation, President of CII, Goa and a Member of SIDBI. As per the respondent there is a total transparency in the entire auction process as well as acceptance of bids to have the best auction price.

5. There is no doubt that the petitioners have a right to participate in the bid and nothing stops them from submitting a valuation report made by an expert by way of reference. We are satisfied that the respondent Corporation is trying to have best possible auction offers and it would certainly take into consideration the decision in the case of S.J.S. Business Enterprises (P) Ltd. v/s State Of Bihar And Others, (2004 – 7 SCC – 166)

6. No case is made out to cause interference at this stage. Petition is rejected summarily.

B. H. MARLAPALLE, J

N. A. BRITTO, J